

Testimony before the Senate Committee on Family and Children’s Services
Supporting SB 154 – Removal of Asset Limits for SNAP Eligibility
Given by Jessica Fraser, Director, Indiana Institute for Working Families
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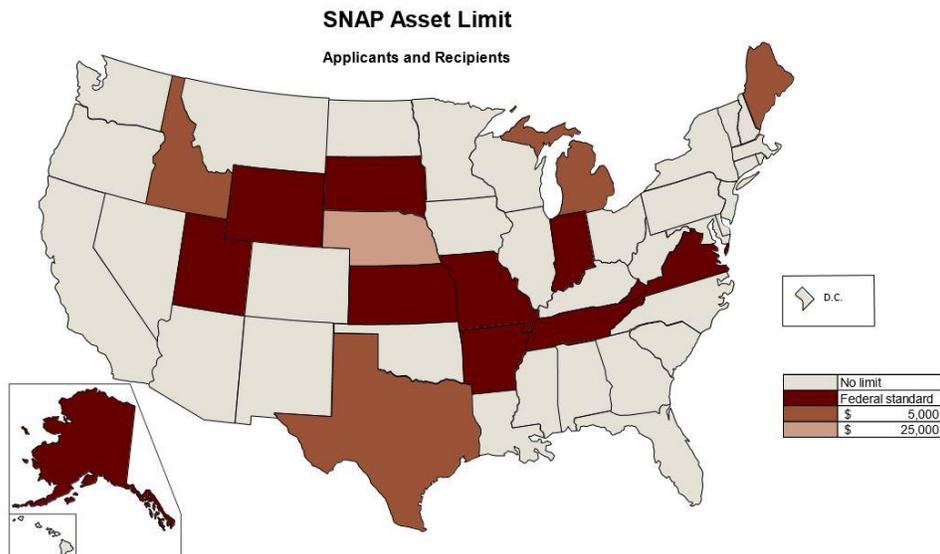
Good Morning Mr. Chairman, members of the Committee.

My name is Jessica Fraser, I’m the Director of the Indiana Institute for Working Families, a program of the Indiana Community Action Association, I’m also representing the Assets and Opportunity Network. I’m here to voice our support SB 154 and I’d like to thank Sen. Merritt and Becker for authoring the bill and Sen. Grooms for giving it a hearing this morning.

Many of my colleagues are here today to tell you the variety of reasons why eliminating the asset test on nutrition assistance will benefit them or the folks they work with. I’m going to focus my testimony on the administrative burden that this policy places on both the state and on families and how the policy represents bureaucratic processes that produce very little of its desired outcome.

Enforcing the asset limit costs taxpayers money

This is why 35 states and the DC have already eliminated SNAP asset limits.



Source: Center for Law and Social Policy, 2016

Verifying household assets costs taxpayers money. Staff must be trained on which assets do and do not count, how to calculate the value of property, and on and on. Then, staff time must be devoted to the verification process. While this may only require a few minutes per household, that can add up. Based on figures from the revised fiscal note:

413477 distinct applications X 10 minutes
242891 redeterminations X 10 minutes

109,395 hours
X \$19/hour (no fringe or FICA included)
\$2,078,505
– 50% (federal share)
= at least \$1,039,253 in state administrative costs

This figure represents current costs, not savings, and it does not include fringe benefits, FICA, unemployment insurance, etc. because we didn't have that information. This figure also doesn't include the offset of new SNAP recipients; however, it is in line with the savings other states have realized.

During this time period, with distinct applications and re-determination **only .4% or a little over FOURTEEN HUNDRED PEOPLE were over the asset limit** in that time period.

Indiana's state administrative costs per case per month in 2015 were \$28.92; compare this to our neighbors in Illinois (\$16.14), Ohio (\$21.43), Kentucky (\$22.75), Michigan (\$29.35). Of these neighbors, all have removed their asset limits except Michigan, which raised its limits.

When we consider that the average issuance per individual is [\\$119/month or \\$270/month per household](#), we have built a very expensive alarm system around a very small amount of food.

The test is burdensome for vulnerable Hoosiers

Any applicant that has a checking or savings account must produce documentation, like a bank statement, to show the amount in the account. For Hoosiers that do not have home offices, internet, reliable transportation, and so on this paperwork can prove extremely difficult to procure.

We hear from families in Community Action that struggling with the paperwork or not applying because it is so challenging:

For example, we met Denise from Northern Indiana. She was a recipient of nutrition assistance, she worked full time, went to college and took care of her kids, then her daughter got cancer and had to go to Cincinnati every 3 weeks for chemotherapy, when it came time for Denise's families redetermination she had trouble getting the paperwork together to prove the value of her resources and between work, college, and travel to Cincinnati Children's Hospital she missed the deadline to turn in the paperwork and lost the nutrition assistance her family relied on.

Mistakes happen

The policy manual that eligibility specialists must learn is extensive; in fact the resource section alone is 68 pages long. I've brought some for you to look at if you want to flip through and pass them around. Intake workers have to know how to collect and evaluate all the resources in this manual for what counts, what's an exception and how to value the resource, and while as we have already said having assets over the limit is rare - .4% - but they still have to know all this, because mistakes can and do happen. Like what happened to Ashlee and her family:

Ashlee is now a work-at-home mom due to a medical condition suffered by her younger child, a medical condition by the way that requires the little girl to have a special diet. Dad works, he is a landscaper. The family received a large tax refund thanks in part to the EITC. This resource is not counted as income in the month you receive it and then is not counted as an asset for 12 months. Ashlee and her family decided to save the money, they knew they might need a new vehicle soon and they were living with her father and also knew they needed to save money to get their own place to live. Despite the exception that their tax refunds was a protected asset the family's benefits were cut off. Ashlee had to go back and forth between DFR and her lawyers several times before the mistake was realized and corrected.

What happened to Ashlee is not unique, people are human and mistakes happen:

- In August 2016, the most recent month for which we have data from FSSA, the negative error rate was 40%.
- FSSA defines the negative error rate as “the correctness of actions taken that refused benefits to a household, either as an application which was denied or as a closure of an open case.”
- We acknowledge the error rate counts more than just mistakes with resources.

Looking at the huge policy guidelines and the rarity of low income families who “income qualify” for assets actually being over the asset limit its easy to see how mistakes could happen... the problem is that when we are talking about the Nutrition Assistance program, mistakes like these mean that vulnerable families and kids go without the food support they need.

Ultimately, we want Hoosiers to be self-sufficient and to make it into the middle class, and we want the Supplemental Nutrition Assistance Program to be the safety net it is intended to be, and

While the instinct to keep those with large assets out of the program is well-intentioned, the reality is that the policy disincentivizes responsible saving practices and keeps vulnerable families from receiving food.

Other organizations who wished to add their support to SB 154 without offering testimony include:

Feeding Indiana's Hungry



Indiana Coalition for Human Services

Marion County Commission on Youth

Covering Kids and Families of Indiana

Indy Hunger Network

Indiana Association of United Ways

Indiana Petroleum Marketers & Convenience Store Association

Marion County Re-Entry Coalition

Indiana Catholic Conference

We ask for your support for SB 154